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6. Next Steps

The Vision

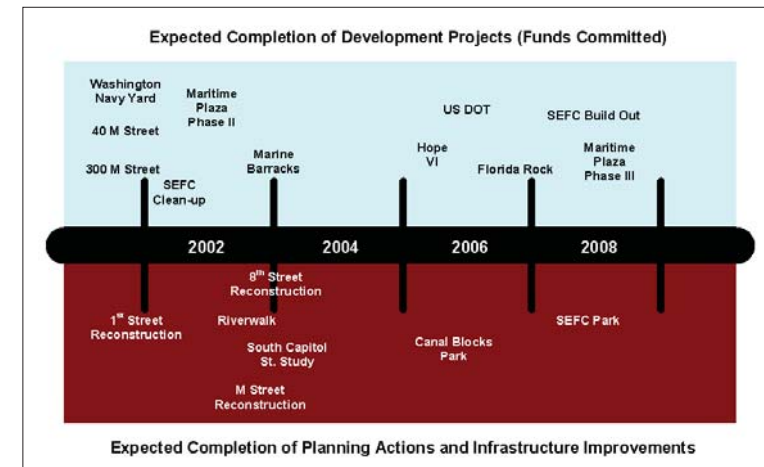
The Near Southeast is an area experiencing incredible change. The primary purpose of the Near Southeast Urban Design Framework is to ensure that during this period of unprecedented activity and heightened investment, the area develops as an interconnected and livable place. The Urban Design Framework provides a vision for the comprehensive transformation of what is largely underutilized space into a vibrant mixed-use urban neighborhood. This transformation is a multi-faceted, complex process during which multiple policy objectives must be balanced and collaboration between public and private sectors is crucial.

The Urban Design Framework should be used by the District as a guide for its regulatory actions and procurement of financing. This will ensure that the private development occurring now and in the future in the Near Southeast contributes to the creation of a vibrant, connected, mixed-use urban waterfront neighborhood in the Near Southeast. Under the District's leadership, the Near Southeast can be transformed into such a neighborhood- which would include a net increase of 41 acres of public open space, 4,200 residential units, 13,650,000 square feet of office space, and 700,000 square feet of retail space.

Near Southeast Development Timeline

A number of development projects and infrastructure improvements are already completed or currently underway in the Near Southeast, while others are well into the planning stages. The Near Southeast Development timeline demonstrates the level of activity occurring in the study area, and the need for a cohesive vision that will tie these many projects together.

TABLE 6.A Impact of Near Southeast Framework Plan									
note: land areas are approximate									
Near Southeast Land Use	Land Area (Acres)	Parcel Area (Acres)	Street Area (Acres)	Open Space Area (Acres)	Residential Units	Number of Residents	Office Area (SF)	Number of Employees	Commercial / Retail Area (SF)
Existing Conditions	378	257	102	19	860	1,850	3,150,000	18,600	45,000
Near Southeast Framework	378	176	142	60	5,095	11,200	16,800,000	96,500	750,000
Net Increase/Decrease	no change	-81	+40	+41	+4,235	+9,350	+13,650,000	+77,900	+705,000



**DRAFT****Role of the District**

The District is at a crucial juncture in the Near Southeast. A number of large development projects are proposed or under construction that could drastically change the face of the neighborhood, including the Southeast Federal Center build-out, the Maritime Plaza project at the Washington Gas site, the development projects surrounding the Canal Blocks, the development at Florida Rock, and the growing number of commercial buildings along the M Street Corridor. In order for the Near Southeast to develop as a cohesive neighborhood, the District must ensure that these proposed developments are compatible with the vision of the Urban Design Framework.

The District has two primary methods at its disposal for ensuring this vision:

- **Zoning:** Existing land use in the Near Southeast is predominately commercial and industrial, with little street-level interface or sense of neighborhood life. The vision for an active and pedestrian-friendly urban neighborhood in the Framework can only be achieved through zoning that requires mixed-use, street-friendly development projects. The District has several options for enforcing such development through intelligent zoning decisions, some which are discussed in the following section.
- **Financing:** In order to create a framework of public space that will act as the key uniting force for the Near Southeast neighborhood, a significant investment of public funds will be required. While in certain scenarios the private sector could be responsible for some of the capital costs associated with park development, it is unrealistic to expect it to fund all of the public space development and improvements required. The District will need to employ a number of creative financing methods to ensure that a funding pool exists to create these important public spaces. Some potential methods for securing these funds are outlined later in this chapter.

Zoning

Although a large portion of the land in the Near Southeast is controlled by the federal government, and therefore not subject to current District zoning categories and restrictions, there are a number of key areas where the District will be required to enforce zoning regulations that will further the creation of the Near Southeast Neighborhood envisioned in the Urban Design Framework.

- **Capitol Gateway:** The creation of the Capitol Gateway Overlay District in 2002 reinforced the District's goal of encouraging mixed-use development through providing specific FAR incentives for the inclusion of residential uses in the area. The Zoning Commission must ensure that proposed development projects in the Capitol Gateway Overlay District adhere to these standards. Similar overlay districts could be considered for other areas in the Near Southeast.
- **Southeast Federal Center:** As a result of the SEFC Public-Private Redevelopment Act, the 55-acre SEFC site will revert to private ownership and thus be subject to District zoning regulations. The District must zone this area, and only approve development plans that forward the vision in the Urban Design Framework, including mixed-use development, public waterfront access, and street-friendly retail along M Street.
- **East M Street/Washington Gas Site:** As the Maritime Plaza office development on the former Washington Gas Site proceeds into its second and third phases, it is crucial that the Zoning Commission enforces the goals laid out in the Urban Design Framework on this key waterfront location. The Maritime Plaza site should include a mix of uses in addition to the existing office space. The substantial parking requirements on the site should be carefully integrated with the siteplan, and new and existing office buildings should include street-level retail to both cater to employees and to the growing residential population in the Near Southeast. The public spaces, view corridors, and orientation of buildings on this site should reflect the site's special location overlooking the Anacostia River, and the terminus of Virginia Avenue should be celebrated by an active mix of uses on all sides.
- **Florida Rock:** The Florida Rock site is in many ways a gateway to the Near Southeast neighborhood, both from the water and South Capitol Street. The design, density and use of this site must reflect the envisioned character of the Near Southeast as an active, mixed-use waterfront neighborhood. The site should be zoned to include substantial residential density, open views from the water and Anacostia Riverwalk through to the neighborhood, and public access to the water.
- **Planned Unit Development (PUD):** Through the PUD process, the District can work with individual developers to allow greater flexibility in site planning, building design, and total density in exchange for an overall development program that complements the vision of the Urban Design Framework. This flexibility can permit the developer to work with the District to incorporate amenities in the project that exceed those that could have been achieved under the general zoning regulations. The significant PUD projects include Florida Rock, U.S. Department of Transportation, Arthur Capper / Carrollsburg HOPE VI, and the Canal Blocks area.

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Neighborhood Investment

Costs

The changes occurring and envisioned in the Near Southeast will require a significant investment of public and private funds. The investment of public dollars in infrastructure and streetscape improvements and in the development of open space will spur further private investment, and support the type of private development projects that forward the vision of the Urban Design Framework.

Public funds already committed to infrastructure, streetscape improvements, and the development of open space in the Near Southeast total over \$600 million.

Further public costs associated with the Near Southeast Urban Design Framework include the Canal Blocks Park, the SEFC Park, the WASA adaptive re-use, and SEFC street and utility improvements. These additional investments will total over \$70 million.

- **Canal Blocks Park:** The capital costs for the development of this five and a half-acre park will be between \$9 million and \$12 million.
- **SEFC Park:** The series of parks envisioned as a component of the development program planned for the SEFC could range in size from six to ten acres. The cost for the construction of these parks will be between \$10 million and \$20 million.

- **WASA:** This is a 10-year interim improvement project to the Main and O Street Pumping facilities in order to improve functional operations of the building. Preliminary estimated cost of the project is \$58M and includes sitework which will improve the visual appearance of the site surrounding the pump station as well as the rehabilitation of the historic structure itself.
- **SEFC Streets and Utilities:** In the full build out of the Southeast Federal Center site as proposed in the Near Southeast Urban Design Framework, street reconstruction will cost approximately \$2.8 million, sidewalk reconstruction will cost approximately \$15.7 million, and utilities will cost approximately \$20.1 million. Total required investment in the site's street and utility improvements will be approximately \$40 million.

TABLE 6.B
Neighborhood Investment

Project	District/ Federal Investment Committed
Washington Navy Yard Reinvestment	\$400.0 million
SEFC Public-Private Redevelopment Act	\$30.0 million
Capper-Carrollsbury HOPE VI Grant	\$35.0 million
District Contribution to HOPE VI	\$28.0 million
Marine Barracks Construction	\$35.0 million
Riverwalk Demonstration Trails	\$0.4 million
WASA Main & O Pump Station Rehabilitation	\$58.0 million
Barracks Row Reconstruction	\$7.6 million
South Capitol Street Gateway Study	\$0.5 million
M Street Reconstruction	\$4.0 million
1st Street Reconstruction	\$0.9 million
8th Street SE Reconstruction	\$7.6 million
TOTAL	\$600 million

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Financing Infrastructure Improvements

There are a range of options for financing the infrastructure improvements and the development of the open spaces outlined in the Urban Design Framework. It is most likely that both private and public funds will be necessary, which could be secured and dedicated through some combination of the following methods:

- Full private responsibility for infrastructure improvements required for individual site development (relevant for large sites such as the Canal Blocks and SEFC).
- Private ownership and maintenance of parks and public spaces.
- Private ownership of newly developed streets, allowing public access through permanent easements.
- Dedicated and publicly owned parks and open space supported by Common Area Maintenance payments.
- District issuance of tax-exempt municipal bonds. A Tax Increment Financing (TIF) district could be established to help fund the payment of these bonds.

Each of these various methods have benefits and drawbacks which the District must weigh carefully.

Projected Benefits

Private investment in projects planned for development in the Near Southeast between 2000 and 2005 totals over one billion dollars. Combined with Federal and District investment in the Near Southeast, this significant investment will result in the creation of over 4,900 residential units, 67,000 new jobs, 750,000 square feet of retail space, and significantly increased tax revenue to the District.

Creating Community Capacity

Over 99% of the 1,850 residents currently living in the Near Southeast live in D.C. Housing Authority public housing, with the balance living in Officers' quarters on the Washington Navy Yard. The lack of home-ownership in the project area creates a significant obstacle to the building and sustaining of community organizations. People who own homes in a neighborhood have a long-term investment in its health and livability, and for this reason, local residential organizations are often at the forefront of urban planning processes. As the staggering pace of the change and amount of public and private investment in the Near Southeast continues, it is increasingly imperative that the development of local community organizations is encouraged and supported. These organizations will play a crucial role in the future of the Near Southeast as it transforms into a series of connected mixed-use neighborhoods, and the success of the implementation of the goals outlined in the Framework is largely dependent on the strength, commitment, and capacity of local community organizations.

TABLE 6.C*Private Investment Leveraged*

Project	Private Investment
20 M Street	\$17.0 million
300 M Street	\$26.0 million
80 M Street	\$25.0 million
250 M Street	\$15.0 million
Arthur Capper-Carrollsborg	\$365.0 million
Capitol Hill Towers	\$105.0 million
Ellen Wilson Housing	\$20.0 million
Federal Gateway	\$50.0 million
Maritime Plaza Phase I	\$30.0 million
Maritime Plaza Phase II	\$36.0 million
US DOT Headquarters	\$400.0 million
810 Potomac Avenue	\$2.2 million
TOTAL	\$1.1 billion